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SENSITIVE
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DEPARTMENT FOR AF/W AND INR/AA FOR BERNADETTE GRAVES
DEPARTMENT PLEASE PASS OPIC FOR JOHN SIMON

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SUBJECT: LIBERIA: U.S. FIRM SHOWS INTEREST IN AIRPORT INVESTMENT

REF: 07 MONROVIA 1033

¶1. (SBU) SUMMARY: U.S.-based aerospace and advanced technology firm Lockheed Martin (LM) is developing a proposal to manage civil aviation assets in Liberia. The Liberian Civil Aviation Authority (LCAA) invited an LM team to visit Liberia in February and April, 2008, to assess the scope of a possible management contract that could cover Roberts International Airport (RIA) and possibly other domestic airports. LM is now reviewing the business case for an investment as well as the legal terms that would be required for a possible concession. A significant investment in Liberia's airport by a reputable firm would be a welcome development, but any deal will face considerable legal and political challenges. END SUMMARY.

¶2. (SBU) Ambassador met April 8 with LM Senior Manager for Air Operations Michael O'Toole, accompanied by Stephen Cashin of Pan African Capital Group and Tom Jeffrey from International Bank of Liberia. O'Toole explained that LM had been invited to Liberia by the LCAA as part of GOL efforts to attract interest in the civil aviation sector from a large, reputable firm. LM senior managers met with President Sirleaf in February and then sent a six-member technical team in April to conduct a deeper assessment.

¶3. (SBU) LM intends to submit a proposal to the LCAA and the President during a return visit in July. The proposal will likely focus on a long-term management contract for RIA, though LM representatives are also examining the Monrovia municipal airport, Spriggs-Payne Airfield, and the possible provision of regional and/or domestic air services. O'Toole said LM is also examining the utility of using RIA as a logistics hub for LM activities in Liberia and elsewhere in the region. (Note: LM subsidiary Pacific Architects and Engineers (PAE) is involved in training the Armed Forces of Liberia and the Liberia National Police, and provides advisors to the Ministry of Justice. End note). According to O'Toole, there is much interest at the highest levels of LM in the project. LM's Business Development Team is preparing the business model while LM is working through its subcontractor Matrix Design Group on the technical assessment of RIA and through Pan African Capital Group on finance.

¶4. (SBU) COMMENT: Any potential public-private partnership for RIA will be challenging. According to airlines, RIA has some of the highest fees and worst service in the region. LM confirmed a list of airport deficiencies: inoperable omni-directional radar (VOR-DME), no GPS landing facilities, poorly calibrated instrument landing system (ILS), insufficient runway lighting, unreliable power supply, insecure cargo handling, unprotected storage, environmental damage, and woefully inadequate safety and security information. (Note: A USAID program is supporting the purchase of approximately \$4 million in emergency safety equipment this year. End note). Any agreement with the GOL will have to be for a sufficiently long time period to recoup the investment. The legal framework that would

allow the GOL to outsource airport management is murky as a draft Act establishing the RIA as an autonomous entity remains in limbo within the President's office. Political and economic interests have dogged that act and would likely challenge any LM proposal as well. That said, a strong proposal from a reputable international firm is an unexpected and encouraging development for the Liberia and its feeble airport. END COMMENT.

ROBINSON